

EP/EO

MAY 3 8 1982

Gentlemen:

We have considered your application for exemption from Federal income tax as an organization described in section 501(c)(6) of the Internal Revenue Code of 1954.

The information submitted discloses that you were associated on [REDACTED].

The purpose of your organization, as stated in Article I, Section 2 of your By-Laws, is . . . "advancing the civic and commercial well-being of the [REDACTED] as a whole, to include advertising promotion, special events and such services as will benefit the business of the center."

Section 501(c) of the Internal Revenue Code of 1954 describes certain organizations exempt from income tax under Section 501(a) and reads, in part, as follows:

- "(6) Business leagues, chambers of commerce, real-estate boards, boards of trade, or professional football leagues (whether or not administering a pension fund for football players), not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual."

Section 1.501(c)(6)-1 of Income Tax Regulations provide, in part, as follows:

"A business league is an association of persons having some common business interest, the purpose of which is to promote such common interest. It is an organization of the same general class as a chamber of commerce or board of trade. Thus, its activities should be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons."

Your organization was formed by the tenants in the shopping center to promote the center to the buying public. The only requirement for membership is to rent a space in the plaza.

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
Surname	[REDACTED]	[REDACTED]	[REDACTED]	DD			
Date							

[REDACTED]

Note that Revenue Ruling 73-411 states, "A shopping center merchants' association whose membership is restricted to and required of the tenants of a one-owner shopping center and their common lessor, and whose activities are directed to promoting the general business interest of its members, does not qualify, as a business league or chamber of commerce under section 501(c)(6) of the Code."

Therefore, we have concluded that you do not qualify for exemption from Federal income tax as an organization described in section 501(c)(6) of the Internal Revenue Code or any other section of the Code.

If you are not in agreement with our determination, we recommend that you request a hearing with our office of Regional Director of Appeals. Your request for a hearing should include a written appeal giving the facts, law and any information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a hearing. The hearing may be held at the office of Regional Director of Appeals or, if you request, at a mutually convenient district office. A self addressed envelope is enclosed.

If you are in agreement with this proposed determination, we recommend that you sign the enclosed Consent to Proposed Adverse Action (Form 6018), noting in particular the signature instructions on the back of the form.

If we do not receive a protest from you within 30 days from the date of this letter, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies and this letter will become final. If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Very truly yours,

District Director